



Personal Finance: Unit Prices

How to compare prices when the products' sizes are not the same.



Lesson Objective

Students will learn how to calculate the unit price of individual items.



Calculating Unit Cost

Food can be bought in small packages (like a pack of 8 hotdogs at Calbertson's) or in big packages (like a box of 100 hotdogs at Bostco), and several sizes in between.

But how do you know which one is the best price? **You calculate the unit price.**



Calculating Unit Cost

You find the unit price by dividing the **total cost** of the item by the **number of units** in the item.

Example:

Calbertson's has a pack of 8 hotdogs on sale for \$1.50. How does that compare to Bostco's 100 hotdogs for \$13.50?

Let's take a look...



Calculating Unit Cost

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Step 1

$$8 \overline{) \$ 1.50}$$



Calculating Unit Cost

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Step 1

$$\begin{array}{r} \$0.1875 \\ 8 \overline{) \$ 1.50} \end{array}$$



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$$\begin{array}{r} \$0.1875 \\ 8 \overline{) \$ 1.50} \end{array}$$

Step 2

$$\begin{array}{r} 100 \overline{) \$ 13.50} \end{array}$$



Calculating Unit Cost

Example: Calbertson's has a pack of 8 hotdogs on sale for \$1.50. How does that compare to Bostco's 100 hotdogs for \$13.50?

Step 1

$$8 \overline{) \$ 1.50} \\ \$ 0.1875$$

Step 2

$$100 \overline{) \$ 13.50} \\ \$ 0.135$$



Calculating Unit Cost

Step 1

$$8 \overline{) \$ 1.50} \\ \underline{ \$ 1.50} \\ \$ 0.1875$$

Step 2

$$100 \overline{) \$ 13.50} \\ \underline{ \$ 13.50} \\ \$ 0.135$$

Compare Unit Costs:

Which store sales the cheaper hotdog?

Bostco's hotdogs are cheaper.

To buy 100 hotdogs at Calbertson's would have cost you \$18.75.

By doing the math you saved \$5.25.

Way to go!



Practice

Food Item	Price	Amount	How many servings	Cost Per Serving
Milk	\$ 2.79	gallon	16	
Hotdog	\$ 1.50	package of 8	8	
Hotdog Buns	\$ 1.19	package of 8	8	
Mayonaise	\$ 4.35	Jar	32	
Ketchup	\$ 0.99	Bottle	32	
Mustard	\$ 1.39	Bottle	32	
Relish	\$ 1.50	Jar	20	
Salad Mix	\$ 1.59	lb	8	
Soda	\$ 1.19	2 liter	8	
Brownie Mix	\$ 1.29	package (serve 8)	8	
Eggs	\$ 1.75	dozen	12	
Potato Chips	\$ 2.50	bag	10	



Practice

Food Item	Price	Amount	How many servings	Cost Per Serving
Milk	\$ 2.79	gallon	16	\$0.17
Hotdog	\$ 1.50	package of 8	8	\$0.19
Hotdog Buns	\$ 1.19	package of 8	8	\$0.15
Mayonaise	\$ 4.35	Jar	32	\$0.14
Ketchup	\$ 0.99	Bottle	32	\$0.03
Mustard	\$ 1.39	Bottle	32	\$0.04
Relish	\$ 1.50	Jar	20	\$0.08
Salad Mix	\$ 1.59	lb	8	\$0.20
Soda	\$ 1.19	2 liter	8	\$0.15
Brownie Mix	\$ 1.29	package (serve 8)	8	\$0.16
Eggs	\$ 1.75	dozen	12	\$0.15
Potato Chips	\$ 2.50	bag	10	\$0.25



Review:

1. What is a unit price?
2. How do you calculate a unit price?



Review:

1. What is a unit price?

The price of a single item.

2. How do you calculate a unit price?

Divide the total cost of the item by the number of units in the item.